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SOLDIERS' AND SAILORS' INSURANCE.

By SAMUEL McCUNE LINDSAY, PH.D., LL.D.

(Read April 20, 1918.)

Among all the marvelous applications of science to warfare which the great European war has produced,—the gas shell, the 75-centimeter gun, the submarine, the Liberty motor, etc,—there is nothing more significant than the attempt to apply the principles of mutuality and insurance to lighten the burdens of war for our fighting men and their families and dependents. As soon as America entered the European war and undertook to do its part, we realized that for the protection of those who must go to the front the existing pension legislation and the old six months gratuity act were as much out of date as the flint-lock musket. Within the first six months after the United States declared war on Germany, Congress worked out and enacted the War Risk Insurance act, which in another six months, or at the end of the first year of our participation in the war, has made the United States Government the greatest life and casualty insurance company in the world. At the close of business yesterday (April 19, 1918) in the matter of insurance liability alone, the War Risk Bureau had accepted 1,785,173 applications for insurance on the lives of soldiers and sailors, in amounts of not less than \$1,000 nor more than \$10,000 upon any one such life, aggregating \$14,542,471.500.¹ This is more outstanding life insurance for the United States Government than the combined outstanding life insurance carried by the twenty largest companies in America, and it is nearly two and one half times the total amount of life insurance written during the previous year by all of the companies in the United States. Probably at least 95 per cent. of all the fighting men of the army and navy who are eligible to take this insurance have been covered and the average amount per man on April 19 was \$8,146. The average day's business of this in-

¹ For corresponding figures revised to Aug. 20, see below, p. 647.

surance bureau is \$100,000,000, or more than the total outstanding business of many a good insurance company after many years of successful business experience.

The benefits conferred by insurance are only part of those provided by this law and intended to safeguard the welfare and morale of our army and navy. The War Risk Insurance Law of October 6, 1917, is in reality three great measures in one. It provides for three new, effective and far-reaching services of the federal government, namely: (1) Allotments of pay and family allowances; (2) compensation and indemnity for death or disability; (3) insurance for death or total disability. All three services, each of which represents a huge undertaking on the part of the government, are so combined and intertwined as to provide a scientific, comprehensive, adequate and just measure of community support and concern for the economic security and future welfare of those families, which provide the men privileged to do the fighting in this war. Taken together these provisions for what has generally become known as war risk insurance will render any general system of pensions antiquated, unfair and wholly unnecessary.

In September, 1914, only a little over a month after the beginning of the European war, Congress established by act of September 2, 1914, a Bureau of War Risk Insurance in the Treasury Department, clothed with authority and charged with the responsibility of insuring American ships and their cargoes, at rates which private carriers could not afford, in order that the commerce of a neutral nation might be maintained on the high seas. On June 12, 1917, Congress extended the authority of this bureau and authorized it to provide for the issuance of insurance against war risks on masters, officers and crews of merchant vessels. On these foundations, Congress by the act of October 6, 1917, created in this Bureau of War Risk Insurance a division of Military and Naval Insurance. A division of Marine and Seamen's Insurance was also established to attend to the previous business of the Bureau. The new division began the administration of the new scheme for allotments and allowances, compensation and insurance for soldiers and sailors. Over 3,000 employees² are required to handle the work of this new

² On July 1, 1918, there were 8,000 employees required to take care of this work in the Bureau of War Risk Insurance.

division alone and the volume of its business has not yet reached its maximum proportions.

Permit me now briefly to describe the three subdivisions of this beneficent law and to summarize its workings, problems and results during the first six months of its history.

I. ALLOTMENTS OF PAY (COMPULSORY AND VOLUNTARY) AND FAMILY ALLOWANCES.

Congress had prepared the way and laid the right foundation for allotments and allowances by raising the pay of enlisted men in the Army and Navy, making the minimum pay for nearly all in the service \$30 a month, or double what it was before in most cases, and higher than that of any other army in the world. This was a just measure to protect the highest standards of living in any country when so many of our citizens were called upon to forsake their usual peaceful occupations. But this was not enough to equalize the sacrifices which all citizens must make in time of war. No rate of pay for the army and navy could be made high enough to do that. So Congress proceeded to supplement the regular pay upon the theory that since the call to arms does not annul the moral and legal obligations of every man to support his family and those who have a blood-tie claim upon his earnings, it is the plain duty of the whole country which he serves to aid him financially to do this without undue lowering of his standard of living, and without requiring a disproportionate sacrifice on the part of his dependents.

This is sound doctrine, however, only when the enlisted man first does his part and contributes from his own resources all he can reasonably spare. Therefore we begin with the allotment which must precede a request for an allowance. Allotments and family allowances are not provided for commissioned officers or for members of the Nurse Corps (female). The allotment is compulsory for every enlisted man who has a wife, or child under eighteen years of age or of any age if the child is insane or permanently helpless, or a divorced wife to whom alimony has been decreed by a court, and who has not remarried. These persons constitute what is known as "Class A" dependents. A common-law wife is entitled to the same consideration as a legal wife and the claims of a legal wife and of

all children take precedence of those of a divorced wife. Every enlisted man is required to file with the War Risk Bureau a statement, for which an allotment and allowance blank is furnished, showing whether or not he has any dependents, and if so how many, and what are their blood or marriage relationships to him.

Nearly a million and a half such statements are now on file in the War Risk Bureau and about 830,000 of them claim that they have no dependents for whom allotment of pay is compulsory or for whom they wish to make a voluntary allotment. Some of these no doubt will be found to have a wife or child for whom they seek to evade responsibility, and such wife or child or some one on their behalf should make application direct to the bureau if they do not receive the allotment and the man will be brought to account. If an allotment is made for any beneficiary and through inadvertence or otherwise no request has been made for a family allowance, the wife, child or beneficiary, or some one on their behalf, should apply to this bureau for the family allowance. Some will later want to make voluntary allotments for Class B dependents when perhaps they find it more convenient to do so. Class B dependents for whom the allotment is voluntary include parents, brothers, sisters and grandchildren. Parents include grandparents and step-parents either of the person in the service or of the spouse.³ Brothers and sisters include those of the half blood and step-brothers and step-sisters and brothers and sisters through adoption. Even if Class B dependents are in want, an enlisted man is not compelled to make an allotment for their support, but he must do so before the government will pay any family allowance to them.

The allowance in all cases both for Class A and Class B dependents is granted only when applied for, after the necessary amount of allotment of pay has been made.

The allotment must in practically every case where an allowance is asked for be at least \$15 per month, and must equal the amount

³ An Act of June 25, 1918, amended the definition of the term "parent" so as to make it include a father, mother, grandfather, grandmother, father through adoption, mother through adoption, step-father, step-mother, either of the person in the service or of the spouse.

of the allowance which the government is asked to give, provided such amount is not more than half the monthly pay.⁴

Where a man has Class A dependents but no Class B dependents, he must allot at least \$15 per month and as much more up to half his pay to equal the allowance requested according to the following schedule: for a wife but no child, \$15; a wife and one child, \$25; a wife and two children, \$32.50, with \$5 per month additional for each additional child up to a total of \$50, which is the maximum government allowance to the dependents (Classes A and B) of any one man under all circumstances; no wife but one child, \$5; two children, \$12.50; three children, \$20; four children \$30, and \$5 for each additional child. These allowances to Class A dependents are made without reference to dependency or need except that they may be waived by a wife who gives evidence of sufficient means for her own support, but may not be waived by a child, and a man may be exempted in certain exceptional circumstances from making a compulsory allotment.

When a man in the service has Class A dependents for whom he is making an allotment and in addition has Class B dependents for whom he wants an allowance he must make an additional allotment equal to one seventh of his pay. Under exceptional circumstances this additional allotment may be waived by the bureau. Class B dependents receive allowances as follows: one parent, \$10; two, \$20; each grandchild, brother or sister, or additional parent, \$5, provided the total family allowance for Classes A and B dependents for one man does not exceed \$50 per month.

As there are no compulsory allotments for a woman in the service, her dependents are always Class B dependents. For Class B dependents where there are no Class A dependents men and women alike in the service must allot, if they want allowances for their Class B dependents, an amount not less than \$15 per month, and

⁴ By an amendment (Act of June 25, 1918), the allotment requirement has been greatly simplified, and is now a flat compulsory allotment of \$15 per month, regardless of the amount of pay or the amount of the allowance requested, for every man with Class A dependents and an additional allotment of \$5 per month for Class B dependents (or \$15 if he has no Class A dependents) if he requests an allowance for Class B dependents. This fixed flat allotment for either Class A or Class B avoids the necessity for the frequent changes due to changes in pay.

equal to the allowance which the government will give, provided such amount is not more than half the monthly pay.⁵ Women receive for children, who would be Class A dependents for men, allowances as follows: one child, \$5; two children, \$12.50; three children, \$20; four children, \$30, with \$5 per month for each additional child.

Class B allowances are subject to two conditions: (1) The person receiving the allowance must need it and be dependent in whole or in part for support upon the person making the allotment. They need not be wholly dependent. They may have earnings of their own or also other sources of support. (2) The total of the allotment and the allowance paid to the dependents must not exceed the amount of the habitual contribution from the man to the dependents in all cases where dependency existed prior to enlistment or prior to October 6, 1917. Otherwise the government allowance will be proportionately reduced.

The total of the allotment and family allowance for a divorced wife may not exceed the amount of the alimony decreed.

The War Risk Bureau, in its regulations made under the authority of the Secretary of the Treasury, has sought to interpret and apply the law in the broadest and most sympathetic way. For example, the regulation which defines dependency says:

For the purposes of the War Risk Insurance Act, a person is dependent, in whole or in part, upon another, when he is compelled to rely, and the relations between the parties are such that he has a right to rely in whole or in part on the other for his support.

Also, if a Class B dependent, for whom a family allowance is claimed, becomes dependent in whole or in part on the enlisted man, subsequent to both enlistment and October 6, 1917, the limitation as to habitual contributions is regarded as not applicable, and the family allowance is paid without regard to it.

Family allowances are payable for one month after a man is discharged from the service, but are not provided for more than one year after the termination of the war.

⁵ This has been amended by the Act of June 25, 1918, providing for a flat additional allotment of \$5 in all cases where there is an allotment of \$15 for Class A, and a flat allotment of \$15 where there is no allotment for Class A.

The conditions of dependency and habitual contribution make investigation to prevent fraud, and adjustment to the changing conditions affecting dependents, such as births and deaths in the family, children reaching the age of eighteen, or contracting marriage before that age, and economic conditions affecting the family income, of the greatest complexity and difficulty in maintaining the necessary records in the War Risk Bureau in order that awards may be made promptly and allowances paid accurately each month as they become due. Severe penalties are provided for intentional fraud. Anyone knowingly making a false statement of a material fact in connection with claims under the act is guilty of perjury and will be punished by a fine up to \$5,000, or by imprisonment up to two years, or both. A beneficiary, whose right to payments under the act ceases, and who fraudulently accepts such payments thereafter, will be punished by a fine up to \$2,000, or by imprisonment up to one year, or both.

Only great loyalty and patriotism on the part of several thousand employes of all grades has made it possible to establish a new organization, housed in several different buildings, working under the greatest physical limitations under present circumstances in Washington, and to get this work reasonably well started.

Within the first four months after family allowances became payable, over a million checks have been sent out, aggregating more than \$18,000,000 for allotments and \$11,000,000 for allowances. Over a million index cards have been prepared and properly filed, and only 15,000 applications were held in suspense at the end of this period for further correspondence and investigation before awards were made.

Delays have been inevitable. The government has had to rely upon outside agencies to tide over cases of need until its relief could be made effective. The patience of many beneficiaries whose claims could not be adjusted as promptly as the government desired, has doubtless been taxed. The difficulties of making records or getting information concerning men scattered all over the world, in military camps, in the expeditionary forces, and on ships at sea, can not be fully appreciated by every family whose interests naturally seem to them to be of paramount importance. The work is rapidly being

brought under efficient business control, and most of the difficulties, delays and mistakes of the first four months are not likely to continue long.

II. COMPENSATION FOR DEATH OR DISABILITY.

The application of the principles of mutuality and insurance to the risk of death or disability resulting from personal injury suffered or disease contracted in the line of duty, and not due to wilful misconduct on the part of the injured person, is not new. It has been successfully tried out on a large scale through the admirable workings of the national and state workmen's compensation laws now operative for the civilian employees of the federal government and for the industrial workers of 36 states of the American Union. These laws have largely displaced or superseded the old employers liability remedies for industrial accidents. They have proven themselves to be increasingly satisfactory to employers and employees alike. They operate also to place on each industry the cost of the financial burden of its unavoidable industrial accidents as far as that burden can be translated into dollars and cents. They also operate to distribute among the consumers of the goods produced, the cost of industrial accidents incurred in their production to the extent of providing for the payment of a sum proportionate to the loss of earning power and a fair recompense for the suffering that an industrial accident causes the individual workman and his family. They also operate to encourage industry to adopt and develop every possible safety device for the elimination of preventable accidents. The analogy of this industrial experience with compensation remedies to the problem of caring for the hazards of war is plain. In the case of our military and naval forces the industry is an "extra hazardous" one, the payment of compensation must be liberal, the cost will be heavy, the government of the United States is the employer and the nation—the whole people—are the consumers or those for whom the operations of war are carried on. The government therefore should bear the whole cost of compensation for death or disability for officers as well as for enlisted men, and for members of the Nurse Corps (female), and distribute the burden through taxation. It does not require any contribution from the

beneficiaries as it does in the case of allotments of pay upon which family allowances are based or in the case of premiums covering the peace rates for insurance. The soldier or sailor does his part when he risks his life and bears the unavoidable personal suffering from injury or disease incurred in the service of his country. Compensation is a payment in addition to regular pay, family allowances and insurance benefits, and serves to equalize the burdens and risks of military service which are inevitably unequally distributed between those called upon to serve in front line trenches as compared with those serving in no less necessary operations behind the lines.

This second great service of the War Risk Insurance law, which makes provision for compensation for death and disability, is necessarily a complicated and technical one and I cannot attempt here to describe it fully, but only in its general outlines. It is more liberal and far more just than any pension law that has ever been passed or now exists, and it should make any supplementary pension legislation for those engaged in this war wholly unnecessary. While it will cost the government huge sums of money, depending upon the number of men engaged in this war, the length of the war and the severity of our casualties, it will doubtless cost less, be far more just and equitable in its benefits, and give more aid and comfort where it is needed than any general pension scheme could possibly provide.

Compensation for death or disability is provided for all members of the United States Military and Naval Forces, including not only enlisted men but also commissioned officers and members of the Army and Navy Nurse Corps (female). The only person entitled to receive compensation for disability is the man himself. In the case of his death, the widow, child and dependent mother receive the benefits provided. Compensation is not paid automatically, but must be applied for on blank forms furnished by the Bureau of War Risk Insurance. It varies in amounts from \$30 to \$100 a month paid to the disabled man, and from \$20 to \$75 a month paid to his widow, child or widowed mother. Unlike individual compensation the amount does not vary in proportion to the wage or previous income of the disabled person or of the deceased. It is based on a new principle, namely, that of the family need, on the theory that

under the conscription law the family is conscripted when the bread winner is taken away. Therefore, the amount paid, if the man is disabled in the line of duty, varies according to the size of his family and changes from month to month or year to year as the family status changes. If a man is a bachelor and is totally disabled, he gets \$30 a month; if he has a wife but no child living, \$45 a month; a wife and one child, \$55; a wife and two children \$65; a wife and three or more children \$75; no wife but one child living \$40, with \$10 for each additional child up to two; a widowed mother dependent upon him for support in addition to the above amounts, \$10. He is also entitled in addition to free medical, surgical and hospital service and supplies, including artificial limbs, etc., as the director of the War Risk Bureau may determine to be useful and reasonably necessary, and for certain claims of disability such as the loss of both feet, or hands, or both eyes, he gets, in lieu of all other compensation, the flat sum of \$100 a month.

Partial disability is pro-rated at a percentage of the compensation for total disability equal to the degree of the reduction in earning capacity, resulting from the disability.

In case of death resulting from injury in the line of duty, the monthly compensation paid is as follows: For the widow alone, \$25; for the widow and one child \$35; for the widow and two children \$47.50 with \$5 for each additional child up to two; if there be no widow then for one child \$20; for two children \$30; for three children \$40 with \$5 for each additional child up to two; for a widowed mother \$20, except that the amount paid to a widowed mother when added to the total amount payable to the wife and children does not exceed \$75.

Compensation is payable for the death of but one child. No compensation is paid to a widowed mother on account of a child if she is already in receipt of compensation on account of the death of her husband.

Compensation is further limited by the following considerations: None is paid if the injury or disease was caused by the man's own willful misconduct. None is paid for death or disability occurring later than one year after the man leaves the service, unless a medical examination at the time of his resignation or discharge or within

one year thereafter proves that the man was then suffering from an injury or disease likely to cause death or disability later. None is paid for death inflicted as punishment for crime or military offence unless inflicted by the enemy. None is paid unless the claim is filed within five years after the death was recorded in the department in which the man was serving at the time of his death, or in case of death after discharge or resignation from service, within five years after death. None is paid for disability unless the claim is filed within five years after discharge or resignation from the service or within five years after the beginning of disability occurring after leaving the service. None is paid for any period more than two years prior to the date of claim. None is paid during the period in which the man is reported as missing, if during that time his pay and family allowance go on; a man is not considered dead until reported so by the department under which he is serving. None is paid to those receiving service or retirement pay. Dishonorable discharge terminates the right to the compensation. Compensation is not assignable and is exempt from attachment, execution and from all taxation, and the law providing for gratuity of payments for death in the service and all existing pension laws do not apply to persons in the service at the time of the passage of this act, or to those entering into the service after, or to their widows, children or dependents, except insofar as rights under such laws shall have heretofore accrued. In addition to the benefits mentioned there is provision for the payment by the United States of burial expenses not to exceed \$100. The compensation to a widow or widowed mother ceases upon her remarriage, and to a child when it reaches the age of eighteen years or marries, unless the child be incapable because of insanity, idiocy, or being otherwise permanently helpless, in which case it continues during such incapacity.

In the interpretation of the compensation provisions the Bureau of War Risk Insurance has endeavored to be as liberal as the spirit of the law permits. An illustration of this is found in the definition by regulation of "total disability" which is broadly defined as "an impairment of the mind or body which renders it impossible for the disabled person to follow a gainful occupation" and again in the regulation which says that "total disability is deemed to be perma-

ment whenever it is founded upon conditions which render it reasonably certain that it will continue throughout the life of the person suffering from it."

In addition to providing compensation for disability and death, the government promises in this act to do everything in its power to restore a man who has been injured, by accident or disease incurred in the line of duty, to the fullest possible physical and economic power. The people of the United States do not want this war to produce a large crop of "corner loafers," that is men who will come back, injured more or less seriously by their war experience and without ambition, to rely upon what the government will do for them and consider that it owes them a living. They will be far happier if they can be restored in part, if not in whole, to their previous earning ability and have found for them some new occupation which they can successfully pursue even though maimed and impaired in physical powers. Courses of education and rehabilitation will be provided by the United States. The act plainly authorizes the Bureau of War Risk Insurance to make it possible for men to avail themselves of such training, even if some method of reenlistment in the military or naval service may be necessary by which they will receive full pay as of the last month of active service while following such courses of training and rehabilitation. It also authorizes the bureau to withhold the payment of compensation during such period as the person to whom it has been awarded willfully fails to follow such course of training or rehabilitation as may be prescribed.

III. INSURANCE AT ATTRACTIVE RATES.

The third great service of the War Risk Insurance Bureau is destined to copper-rivet the benefits of the other two, that is of the family allowances and the compensation, and also to stimulate and reward economic foresight and individual initiative on the part of our fighting men. The government insurance, offered in amounts of not less than \$1,000 or in multiples of \$500 up to not more than \$10,000, is voluntary. It may be taken, however, by every commissioned officer and enlisted man and every member of the army nurse corps (female) and of the navy nurse corps (female) when

employed in active service under the War and Navy departments. Its purpose is twofold—first, to restore a man's insurability which was either taken away from him or considerably impaired the moment he entered the military or naval service; secondly, to afford our fighting forces protection for themselves and their dependents additional to and greater than is provided by the compensation provisions of this act, without medical examination and without cost for solicitation, advertising or administrative expenses,—the usual overhead charges with which commercial insurance premiums are loaded. The government offers at peace-rate cost this insurance and whatever the war risk, due to military service, may be, the government assumes that, pays it and presents it to every man in its military or naval forces who elects to take the insurance. How well the men have appreciated this offer is shown by the fact that probably 95 per cent. of those eligible to take the insurance have done so and the amounts they have elected to take have averaged well over 80 per cent. of the maximum allowed. The predictions of practically all persons experienced in the insurance business have been utterly confounded by this result obtained without the services of personal solicitors. Both Congress and the bureau were assured that we need not expect more than half of the total number of men eligible to take any insurance at all and of those that did, probably most of them would take small amounts so that the average would not exceed 20 to 25 per cent. of the maximum allowed.

The insurance then is term insurance at peace rates with premiums payable in monthly installments which brings it well within the reach of the poorest paid soldier, who, even after making a compulsory allotment of \$15 per month in order to secure a family allowance for his wife and children or a voluntary allotment of the same amount for other relatives dependent upon him in case he has no wife or children, for an additional sum of approximately \$6.50 per month may secure \$10,000 of insurance (the maximum he is allowed to take) and still have \$8.50 per month for spending money, or with minor additions or the extra pay allowed in foreign service, he may have approximately \$10 per month for his own use, which in the opinion of the commanding officers of our military and naval forces, is more than enough to meet every legitimate need.

The insurance is automatically renewed from year to year at the slightly increased premium rate for each additional age year until it lapses automatically five years after the end of the war, unless within that five years the insured exercises his option of converting it without physical examination into any of the ordinary forms of insurance at the rates which the government may prescribe. The premium rates are based upon the American experience table of mortality, with interest at $3\frac{1}{2}$ per cent. per annum. The insured, therefore, gets his insurance in an extra-hazardous occupation at less cost than it would cost him in peace times in any commercial insurance company. He has 120 days after enlistment, or after entering the active service, in which to elect to take insurance and to decide upon the amount he wants. He may drop any part of his insurance which he does not wish to carry at any time he chooses, but at the expiration of the 120-day period he may neither take insurance in case he has not elected previously to do so, nor increase the amount of his policy in case he has not elected to take the maximum of \$10,000 allowed. Premiums are usually paid automatically by monthly allotment of pay, and the insurance runs as long as the premiums are paid, whether the man leaves the service or not, unless it is terminated by the discharge or dismissal of any person from the military or naval forces on the ground that he is an enemy alien, conscientious objector, or a deserter, or is guilty of mutiny, treason, spying, or any offense involving moral turpitude, or willful and persistent misconduct.

The amount of the policy in the event of death or total and permanent disability is payable in 240 equal monthly installments, except that if the insured is permanently and totally disabled and lives longer than 240 months, the monthly payments at the 240 months' rate continue as long as he lives and is so disabled. In the event of the death of the insured before 240 monthly payments have been made the remaining monthly installments go to his beneficiary. In the event of death before any or all of the 240 monthly payments have been made, the insurance is payable in 240 equal monthly installments to any beneficiary designated by the insured within the limited class of beneficiaries prescribed in the law, which includes a spouse, child, grandchild, parent, brother or sister as defined and

explained above in the discussion of allotments, allowances and compensation. If no beneficiary within the permitted class has been designated by the insured, or if the one so designated does not survive him, the payments go to such persons within the permitted class of beneficiaries as would be entitled, under the laws of the state of the residence of the insured, to his personal property in case of intestacy and if no such person survives the insured, an amount equal to the reserve value, if any, of the insurance at the time of death of the insured, calculated on the basis of the American experience table of mortality and $3\frac{1}{2}$ per cent. interest, is paid to the estate of the insured in full for all obligations under the contract of insurance.

There are no provisions for lump sum payments. Insurance payments are further protected, as are also payments of allotments, family allowances and compensation, in that they are not assignable nor subject to the claims of creditors of any person to whom an award is made, except for claims of the United States against the person on whose account the allotments, family allowances, compensation or insurance are payable.

An interesting provision was made for automatic insurance of a limited amount and somewhat more restricted in its benefits to cover all men in the active service from the date of the beginning of our participation in the war (April 6, 1917), who, during the 120-day period immediately following the publication of the terms and conditions of this insurance (October 15, 1917) were totally and permanently disabled or died without having applied for insurance. The act specified that all such men were to be deemed to have applied for and to have been granted insurance payable to such person during his life in monthly installments of \$25 each, which was the equivalent of approximately \$4,500 of insurance.

In the event of death the payments of the balance of 240 monthly installments at \$25 each were to be made to beneficiaries, restricted, however, to a widow remaining unmarried, a child, or a widowed mother.⁶

⁶ This restriction with respect to the beneficiary of automatic insurance was amended by the Act of June 25, 1918, so that the beneficiary might be a widow during her widowhood, or if there is no widow surviving, then the

Reference has already been made to the remarkable response made by the military and naval forces to the offer of this voluntary insurance. The actual figures (corrected to August 20, 1918) show that the Bureau of War Risk Insurance has received and accepted in the first ten months of its operation, 3,319,593 applications for twenty-eight and a half billions of dollars of insurance, which averaged \$8,602 per application. As in some instances more than one application was made on behalf of an enlisted man, the total number of applications on August 20, which is probably greater than the total number of men in the military and naval forces on that date, does not represent the exact number of persons insured, and the average amount of insurance taken per person is therefore greater than \$8,602.

This huge government insurance business represents more outstanding insurance in the first year of its history than that of any other insurance organization in the world and more than the total life insurance written during the past year by the twenty largest companies in the United States. A single day's business, for example, that of August 20, amounts to twenty-seven thousand applications for a total of over two hundred sixty-seven million dollars, or more than the total outstanding business of many a good-sized private insurance company.

Voluntary insurance supplied by the government at cost is a service of the greatest social significance. Combined with the benefits of family allowances and of compensation for death and disability, it provides in a scientific, just and equitable way for the fulfillment of a great national obligation which is intended to safeguard the morale of our Army and Navy and of those families of the nation which are making the greatest sacrifices for the successful prosecution of the war. The War Risk Insurance Act in its entirety is for the American people a new departure of the greatest significance as an expression of a new sense of social solidarity and unity of national purpose. Other nations have experimented for child or children of the insured, or if there is no child surviving, then the mother, or if there is no mother surviving, then the father, if and while they survive the insured; and this provision was made retro-active and the Bureau of War Risk Insurance directed to revise all its awards of automatic insurance on July 1, 1918, in accordance with these amended terms.

many years with the principles of social insurance in the solution of some of their most difficult social problems. The United States has now started upon the same road, and in the War Risk Insurance Act is breaking new ground in some directions not yet undertaken by any other nation. The successful administration of this remarkable legislation, which is confidently anticipated in spite of many initial difficulties, will mark a new era in our history, a new stage in social progress and a new chapter in the development of world democracy.

COLUMBIA UNIVERSITY,
NEW YORK, APRIL, 1918.